



JAN 31 2005

The Honorable Edward Rendell  
Governor of Pennsylvania  
Main Capitol Building, Room 225  
Harrisburg, Pennsylvania 17120

Dear Governor Rendell:

It is with pleasure that I respond to the Commonwealth of Pennsylvania's request for a waiver of statutory and regulatory requirements under the Workforce Investment Act (WIA). This action is taken under the Secretary's authority to waive certain requirements of WIA Title I, subtitles B and E and Sections 8-10 of the Wagner-Peyser Act.

In its initial submission, Pennsylvania stated that a waiver of current measures for programs authorized under the Workforce Investment Act, the Wagner-Peyser Act, the Jobs for Veterans Act and the Trade Act would allow the Commonwealth to develop a simplified and streamlined performance accountability system based on the common performance measures developed by the Office of Management and Budget (OMB). After initial review of the request, the Employment and Training Administration (ETA) and the Veterans Employment and Training Service (VETS) asked Commonwealth officials to submit more detailed technical and programmatic information on how they planned to implement the common measures.

Pennsylvania submitted two formal responses, on May 24, 2004, and August 10, 2004. During this time, and since then, staff from ETA and VETS, and the Pennsylvania Department of Labor and Industry have held many conversations. We appreciate the Commonwealth's assistance and patience as we deliberated on this bold request.

The waiver request is written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c) and appears to meet the standards for approval at 20 CFR 661.410(c) and 661.420(e). Accordingly, the Commonwealth is granted a waiver to replace the state and local performance measures specified at WIA Sections 136(b) and 136(c), and the labor exchange measures under Section 10 of the Wagner-Peyser Act (as set forth in the Federal Register at 66 FR 29648 (May 31, 2001)) with the "common measures" as outlined in ETA Training and Employment Guidance Letter 15-03. ETA and the Commonwealth agree to work closely together to implement the waiver in an acceptable manner.

Since we are considering Program Year 2004 to be a transition year for implementing common measures under this waiver, the Commonwealth will continue to submit all currently approved OMB reports and records for the WIA Adult, Dislocated Worker and Youth programs (ETA 9090, 9091 and the WIA Standardized Record Data (WIASRD)), Trade Act program (Trade Act Participant Report (TAPR)) and Employment Service program (ETA 9002 and VETS 200 reports) through Program Year 2004. In addition, Pennsylvania will continue to comply with data validation requirements approved by OMB for the aforementioned programs.

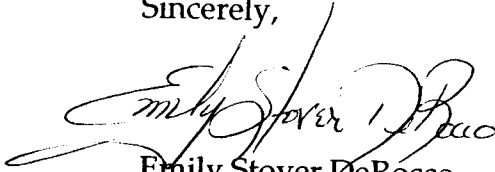
ETA looks forward to working closely with the Commonwealth during 2005 to better understand the policy and management information system changes that are necessary in order to effectively implement common measures at the state and local levels. ETA will continue to provide the Commonwealth with updates on progress made to further clarify the common measures policy. We will also provide technical assistance as requested by the Commonwealth to ensure meaningful progress in reporting common measures outcomes. The Commonwealth's early implementation experience will offer ETA and the entire workforce system valuable insights as we seek to incorporate the common measures into these existing program reporting systems, all of which are set to expire during 2005.

Since the WIA waiver authority does not extend to programs authorized under the Jobs for Veterans Act, ETA encouraged the Commonwealth to seek permission from the U.S. Department of Labor Veterans' Employment and Training Service (VETS) to implement common measures in Jobs for Veterans Act programs. In response to a written request from the Commonwealth to that agency, dated September 10, 2004, VETS has agreed to remove the requirement for Pennsylvania to negotiate performance measures applicable to: a) all veterans served by the Public Labor Exchange and b) those veterans specifically served by VETS-funded staff. This action permits the Commonwealth to implement common measures in Jobs for Veterans Act programs. As cited above, Pennsylvania will continue to submit the ETA 9002 and VETS 200 quarterly reports through Program Year 2004.

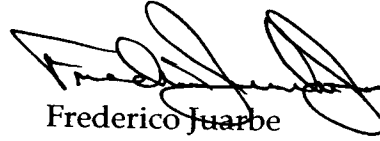
The granted waiver is incorporated by reference into the Commonwealth's WIA Grant Agreement, as provided for under paragraph 3 of the executed Agreement, and also constitutes a modification of the Commonwealth's approved five-year strategic plan. A letter is being sent to your state WIA liaison, which supplements this letter and defines the conditions that apply to the granted waiver. A copy of each letter should be filed with the Commonwealth's WIA Grant Agreement and approved five-year strategic plan. Similarly, in a separate letter, Assistant Secretary for VETS, Frederico Juarbe, will modify the special provisions to the FY 2005 Jobs for Veterans' State Grant approval package to indicate support of the Commonwealth's plan to implement common measures, subject to review each fiscal year when the Jobs for Veterans State Grant (E-9-5-5-5052) comes up for annual modification.

We look forward to continuing our partnership with you and achieving better workforce investment outcomes. We are prepared to entertain other state and local-level waiver requests that you may wish to submit, consistent with the provisions of the WIA statute and regulations.

Sincerely,

A handwritten signature in black ink, appearing to read "Emily Stover DeRocco", written over a horizontal line.

Emily Stover DeRocco  
Assistant Secretary  
Employment and Training Administration

A handwritten signature in black ink, appearing to read "Frederico Juarbe", written over a horizontal line.

Frederico Juarbe  
Assistant Secretary  
Veterans' Employment and  
Training Service

Enclosure